

23 March 2022

Global stocks continue to rally, despite another move higher in yields

- Global markets.** The rally in stocks continued last night, with all US markets closing sharply in the black and led by the tech-heavy Nasdaq which rose 2% for the day and is now up an incredible 12% from its March 14th closing low (ie. 6 trading days ago). The S&P 500 was also strong, up 1.1% for the day, the Dow added 0.7% and the Russell 2000 added 1.1%. Over in Europe, it was a similar story with all indices ahead, paced by the CAC which added 1.2% for the day.
- Yields continue to rise.** All of the above strength came despite another night of reasonably sharp rises in yields, with the US 2-year bond up another 5bps to close at 2.18%, while the 10-year actually rose by a more-aggressive 9bps to end at 2.38% - this takes its year-to-date rise to ~75bps. The relative moves also saw the yield curve steepen slightly, with the 2-10-year spread at 21bps, from 17bps yesterday.
- In other markets,** the price of **WTI crude** fell slightly as Cushing crude stocks rose for a 2nd consecutive week – although the commodity is still up sharply for the week. Elsewhere, the **VIX Index** declined 2.5% on account of the day's equity market strength, **gold** and **silver** were both down (by ~1% and ~2%), **tin** prices were 2% weaker and **spot uranium** continued to move higher – adding another 1% for the day and closing at \$58.50/lb. Finally, the **AUD** was stronger against most major crosses and by ~2% against a much weaker **Yen**.
- Futures point higher.** Unsurprisingly, given the strong lead from Wall Street, it appears local stocks will open higher again this morning when trading commences – with ASX futures currently ahead by 31 points, or ~0.4% at the time of writing.
- Powell due to speak again.** In economic news, today will see the release of UK inflation figures – where the core reading is expected to tick up to 5% from 4.4% last month – while in central bank speak, Fed Chair Powell is due to talk again at 11pm tonight, while the Fed's Daly will speak tomorrow morning.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,620.7	7,558.9	0.8%
ASX 200	7,341.1	7,278.5	0.9%
ASX Emerging Companies	2,709.6	2,669.1	1.5%

US Markets

Dow Jones	34,807.5	34,553.0	0.7%
S&P500	4,511.6	4,461.2	1.1%
Nasdaq	14,108.8	13,838.5	2.0%
Russell 2000	2,088.3	2,065.9	1.1%

Asian & European Markets

Shanghai Composite	3,259.9	3,253.7	0.2%
Nikkei	27,224.1	26,827.4	1.5%
Hang Seng	21,889.3	21,221.3	3.1%
FTSE 100	7,476.7	7,442.4	0.5%
DAX 30	14,473.2	14,327.0	1.0%
CAC 40	6,659.4	6,582.3	1.2%

Economic Releases	Time	F'cast	Prior
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UK Core Inflation	18:00	5.0%	4.4%
Fed Chair Powell Speaks	23:00		
Fed's Daly Speaks	2:45		

Key BW Names	Close	Prior	% Δ
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Alderan Resources	0.200	0.180	11.1%
Lotus Resources	0.375	0.360	4.2%
Jervois Mining	0.845	0.845	0.0%
LiveHire	0.365	0.365	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	111.76	112.12	-0.3%
Gold	1,921.0	1,935.6	-0.8%
Gold (Aus)	2,572.3	2,616.5	-1.7%
Silver	24.78	25.19	-1.6%
Uranium (Spot)	58.50	58.00	0.9%
Tin (Futures)	41,603	42,375	-1.8%

Currency	Close	Prior	% Δ
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DXY Index	98.42	98.48	-0.1%
AUD/USD	0.7468	0.7398	0.9%
AUD/GBP	0.5631	0.5619	0.2%
AUD/EUR	0.6767	0.6713	0.8%
AUD/YEN	90.30	88.38	2.2%
AUD/NZD	1.0724	1.0743	-0.2%
AUD/CAD	0.9387	0.9316	0.8%

Other Markets	Close	Prior	% Δ
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VIX Index	22.94	23.53	-2.5%
2-Year Treasury Yield (%)	2.175	2.124	2.4%
10-Year Treasury Yield (%)	2.385	2.294	4.0%
US 2-10-Year Spread	0.210	0.170	23.5%